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HAYES STEEL PRODUCTS LIMITED

Thorold, Ontario

[Handwritten signature]

June 12, 1962

To the Shareholders:

The purpose of this letter is to advise you of a Special General Meeting of Shareholders to be held at the administrative office of the Company in Thorold, Ontario, on Wednesday, June 27, 1962. At that time, two by-laws will be presented for your approval.

In December, 1961, as a part of our cost reduction program, we disposed of the former administrative office building of the Company, and all the personnel have been moved to a renovated building at the Thorold Plant. We must, therefore, by by-law change the head office of the Company from Merritton Ward, St. Catharines, Ontario, to Thorold, Ontario.

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Taking into consideration the high equity value of our shares resulting from our operations over the years, your Directors propose a second by-law providing for the subdivision of the shares of the Company on a three for one basis. The purpose of this subdivision of the shares is to broaden interest in the Company's capital stock and to improve the distribution and marketability of such stock. This means that each shareholder will receive two additional shares for each share held at the date when the change becomes effective.

It is also proposed to increase the authorized capital of the Company from 450,000 shares resulting from the above subdivision to 1,000,000 shares. Your Directors are proposing this change to increase the number of shares available for issuance for such proper purposes as the Board of Directors may in the future deem advisable. The shares may be issued if and when the financial needs of the Company require the obtaining of funds through the sale of shares or for use in connection with the acquisition of other businesses should the opportunity arise.

Your Directors recommend the approval of both of these by-laws.

Accompanying this letter is the formal notice of this Special General Meeting. If you are unable to attend the meeting personally, please sign the proxy enclosed with the Notice of Meeting and return it to the Company in the addressed postage paid envelope provided.

Yours very truly,

R. C. McPHERSON
President

